

New Employer UI and Construction Employer Tax Rates for 2022

FOR IMMEDIATE RELEASE

WILMINGTON, DE – The Delaware Department of Labor (DOL) is announcing the new Employer Unemployment Insurance and new Construction employer tax rates for 2022, effective January 1, 2022.

- New Employer and new Construction employer rates are maintained at 2020 levels
- Establish 2022 merit rate at lower of 2020, 2021, or 2022 tax rate, except for delinquency rate (conditions apply)
- Authorization for DOL to issue credits to employers and reduce the delinquency tax rate to correct administrative errors or address fraudulent claims charged to employers (conditions apply, including being current on filing all quarterly reports)
- Establish 2022 taxable wage base at \$14,500 (down from \$16,500 in 2021)

COVID related and fraudulent claims, as well as delays in receiving and processing employers' 2020 and 2021 tax payments impacted employer tax rates in 2021.

The Secretary, with the unanimous support of the Unemployment

Insurance Advisory Council, took these actions to prevent the issues from persisting into 2022. Lowering the taxable wage base to \$14,500 is estimated to save employers more than \$11 million in 2022.

These actions were made possible by the Governor and General Assembly's investment of nearly \$250 million of the State's Coronavirus Relief Funds to the Unemployment Insurance trust fund.

"The COVID-19 pandemic has been an unprecedented challenge for Delaware employers," said DOL Secretary Karryl Hubbard. "These actions reaffirm our commitment to maintain UI taxes at the lowest levels possible, allowing employers to reinvest that money in their workers and infrastructure in order to restore their companies and the Delaware economy to pre-pandemic levels."

The Delaware Department of Labor connects people to jobs, resources, monetary benefits, workplace protections, and labor market information to promote financial independence, workplace justice, and a strong economy. The department is made up of four main divisions: Unemployment Insurance, Employment & Training, Industrial Affairs, and Vocational Rehabilitation.

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